



MINUTES BOARD OF LIVESTOCK MEETING

JANUARY 18, 2011
ROOM 319, 301 N ROBERTS
HELENA, MT

BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer
Ed Waldner, swine producer
John Lehfelddt, sheep producer
Linda Nielsen, cattle producer

Brett DeBruycker, cattle producer
Jeffery Lewis, dairy producer
Stan Boone, cattle producer

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau
George Harris, Centralized Services
Dr Bill Layton, Veterinary Diagnostic Lab
Christian Mackay, Executive Officer
Steve Merritt, Public Information
George Edwards, Livestock Loss Reduction & Mitigation Board

Carol Olmstead, Meat Inspection Bureau
Dr Jeanne Rankin, Animal Health
Dr Zaluski, State Veterinarian, Animal Health
Sherry Rust, Executive Assistant
Dr Eric Liska, Animal Health

PUBLIC PRESENT:

Kraig Glazier, USDA Wildlife Services
Ariel Overstreet, Montana Stockgrowers Assn
Kim Baker, Montana Cattleman's Assn
Greg Wichman, Montana Woolgrowers Assn
Jim Brown, Montana Woolgrowers Assn

Quinn Holzer, Legislative Fiscal Division
Dr Tom Linfield, USDA APHIS AVIC
John Steuber, USDA Wildlife Services
Lauri Harnauska-Brown
Les Graham, Montana Livestock Auction Markets

1:00 PM

CALL TO ORDER

ADMINISTRATIVE ITEMS

Board Communications:

- Jan French, Hobson
 - lot of ice, not much snow left, getting ready calve
- Linda Nielsen
 - real winter - snow like we had 20 yrs ago
 - cattle numbers were down in 2010 but commission money is up
 - \$1.53 calves (454 lbs) last week, market is up
- Jeff Lewis, Corvallis
 - milk has dropped significantly January from December
 - corn's through the roof
 - class free should start going up
 - Bitterroot Valley is a muddy mess right now
- Stan Boone, Ingomar
 - worse winter ever seen in this area
 - basically ice, snow before thanksgiving, turned to ice, cattle cannot get to feed
 - prices are good
- Ed Waldner, Chester
 - hog prices have dropped off considerably

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- lot of snow, tough winter, feeding a lot, waiting for the Chinook
- Brett DeBruycker, Dutton
 - cold up north, tough winter, not a lot of snow on the flat but in ice yards, feedlot, etc
 - cattle prices are excellent, corn and feed prices going up
- John Lehfeldt, Lavina
 - positive all the way around, lots of youth interested
 - lamb prices stronger
 - industry looks good

Approval of Minutes:

John Lehfeldt moved to approve the November 18 and 19, 2010 board meeting minutes and the December 10, 2010 conference call minutes as presented. Brett DeBruycker seconded. The motion carried unanimously.

Interim Authorizations and Activities:

There were no interim activities during this time period.

Executive Officer Reports:

Jeff Lewis moved to approve the executive officer reports as presented. Ed Waldner seconded. The motion carried unanimously.

1:30 PM

DIVISION REPORTS

Veterinary Diagnostic Laboratory, Dr. Bill Layton

- Fee Schedule
 - provided a spreadsheet to the board and requested guidance
 - reviewed suggested revisions
 - average 10% across the board increase suggested
 - have not raised lab fees since 2007
 - need to bring fees into compliance with cost of tests and what other labs are charging while keeping prices in line to encourage disease surveillance

Christian Mackay commented

- the whole department budget is scheduled for consideration on February 9
 - may have a better light on the entire budget then
 - if HB2 goes through as is, we are okay
 - however, if they do a global to cut all agencies of 5% general funds it hits the lab hardest
 - suggested the board table this discussion until the March meeting to allow for legislative budget process
- Accreditation & Facilities
 - received a letter of extension of provisional accreditation to December 31, 2011
 - facility improvement will be looked at in the expected evaluation sometime in early 2012
 - need to keep the target in our sites, keep visualizing our goal
 - action plan is try to develop a building plan
 - is FWP interested?
 - if not we must continue on, look for commitments

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Christian Mackay

- received word last week that MSU had a request for a new Vet Diagnostic Lab in their bonding bills
- estimated cost of new lab (not including FWP at \$8 million or \$16 million with FWP)
- Pathologist position update
 - interviewed one person
 - actually have two candidates now
 - no board certification, no PhDs, therefore less expensive wage wise
 - are well qualified and would encourage them to pursue accreditation and PhDs

Centralized Services, George Harris

- Per capita refund request
 - producer Jim Hagenbarth requested refund of pro-rated per capita for the months his cattle were grazing out of Montana
 - in the amount of \$420.92

Stan Boone moved to authorize the refund of \$420.92 as requested. Jeff Lewis seconded. The motion carried.

- FY2012-13 Tentative budget schedule
 - HB2 is scheduled for Monday Feb 14 as far as he knows, may move up to Feb 9th as Christian noted
 - reviewed major budget highlights and legislative action issues
 - board must be prepared to defend the lack of fee increases and argue the board history of fiscal responsibility in hard times while being attuned to producer needs and wants
 - SB16 will authorize simulcast expenditures (Horse Racing) to get the program up and going but none for 2011 - will need supplemental funding for FY2010
- FY2011 Second Quarter Budget Status
 - reviewed each division budget status and spending status
- State Special Revenue
 - provided and overview of state special revenue balances
- Updates
 - Milk Control
 - SB5 has a clause to remove the Milk Control sunset clause
 - this would allow milk issues will stay under Milk Control and not come to the Board of Livestock
 - Livestock Loss Reduction and Mitigation Board, George Edwards
 - provided and overview of the program, balance and budget status
 - presented the new logo chosen from over 80 submissions in the contest
 - Wendy Brenden won the \$750 prize
 - prize money was provided by \$250 donations by Montana Cattlemen's, Farmers Union, and the Livestock Loss Reduction & Mitigation Board
 - the logo will be used on new license plates for fund raising
 - a bill pending to change the name from LLRMB to the Livestock Loss Board (less cumbersome)
 - cattle losses are on par with 2009, sheep losses are down a bit

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- conception rates and missing animals are not accounted for in paid out losses
- next board meeting is in Dillon, April 15 with listening session on 14th in the evening
- three board terms expire Jan 31 and all three are seeking seeking reappointed
- another nomination was received from John Helle who asked to be considered only if one of the current board members chose not to seek reappointment

Brett DeBruycker moved to reappoint the current members who are seeking reappointment. Linda Nielsen seconded. The motion carried unanimously.

3:00 PM	RECESS
3:15 PM	RECONVENE

USDA Wildlife Services (Predator Damage Management), John Steuber

- moving into the busiest time of the year - calving, lambing season from mid -February into March, April, and May
- helicopter pilot Tim Graff being deployed to Iraq (2nd time) so are looking for replacement for 10 months or so
- 3 1/2 months into Fiscal year still do not have a budget, working on continual resolution - must spend evenly throughout the year while on continual resolution
- the federal earmark of \$255,000 in tri-state predator (MT, WY, ID) did not make it through and is at risk at this time
- still do not have the federal helicopter back, do have funding for leasing one and will do so
- Addressed concerns in the country regarding WS possibly will stop flying
 - not true, but possibility of decrease in flying time due to budget constraints
 - discussion regarding ways to increase in funding for predator control followed
 - Board member John Lehfeldt is working with producer organizations to restore funding to WS for predator control
 - Stockgrowers, Woolgrowers and Cattleman's all support a per capita increase dedicated to restoring predator funding to an adequate balance
 - Christian Mackay commented that the department budget is in
 - if producers attend legislative budget meetings and support a per capita fee increase the legislature could increase spending authority for per capita fee increase dedicated for predator control
- Review of per capita funding history, George Harris
 - HB124 from the 2001 Legislative session was a huge tax reform bill which changed from three times per year assessment through the counties, down to a single September assessment through revenue
 - department lost approximately \$1.2 million from that change
 - additionally, 2001 and 2002 were dry years where head counts went down
 - the department ended up with negative \$1million in per capita revenues
 - the board implemented a 10% cutback, cut 11 full time employees, delayed vehicle replacement, etc, and fees were increased where possible
 - the department has still not recovered; still down at least 2.5 FTE's from pre-cut total employees, the vehicle replacement program is still struggling

MINUTES BOARD OF LIVESTOCK MEETING

- predator control funding was \$383,000 in 2001, 2002 dropped to \$183,000 where it stayed until 2007 when the board raised funding to \$243,000
- aviation insurance and participating counties are paid first with the balance going to WS for predator control

John Steuber

- WS State Director, Larry Handegard, agreed to allow a decrease in predator control funding by the department and used federal carry over for flying to assist the department during this hard time. Handegard agreed to allow the decrease in predator control until per capita collection returned to 2001 levels (returned to 2001 levels in 2004). The WS predator control percentage of total per capita has decreased from 13.3% in 2000 to 7.0% in 2010. The WS predator control share of per capita is only \$251,660 as compared to 2000 when they were \$398,273.

George Harris

- the board might be looking at per capita maximum allowed increase for the next few years to get predator control and department funds back to where they should be

Kim Baker, Montana Cattleman's Association

- the industry is ready now for what needs to be done

Jim Brown, Montana Woolgrowers Association

- consensus at the December meeting was for the board to use its authority to restore funding to WS, and supportive to raised per capita with it dedicated to WS only

Board discussion followed

- producers must go to the legislators and get more spending authority so the board can do what needs to be done to increase funding
- the infrastructure is in place now, if the board defers the problem we may lose what infrastructure we have now
- need to raise the per capita to the maximum allowed by statute with 5% dedicated to WS
- at 10% it would go from \$1.75 to 1.92 (cattle), not that burdensome, must do what we need to do to get it done
- industry people are asking when the subcommittee hearing is, so the hope is that all the industry people are listening and will attend
- so that subcommittee will make the changes in spending authority so the board can then work at providing the funding

John Lehfeltdt moved to increase per capita the maximum (13.2%) with 6% dedicated to to Wildlife Services pending increased spending authority from the legislative budget committee. Brett DeBruycker seconded. Roll call vote:

Stan Boone	No
Linda Nielsen	No
Jeff Lewis	No
Ed Waldner	No
Brett DeBruycker	No
John Lehfeltdt	Yes

Board discussion

- wait for spending authority from legislature
- not specify percent of increase or percent dedicated

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- need to use part of increase to support department programs

Stan Boone moved that the board go on record in support of an increase in per capita to provide sufficient predator control funding with industry providing support for the increase in spending authority. Ed Waldner seconded. Roll call vote:

John Lehfeldt	No
Brett DeBruycker	Yes
Ed Waldner	Yes
Jeff Lewis	Yes
Linda Nielsen	Yes
Stan Boone	Yes

John Lehfeldt moved to amend the motion to increase the per capita to the maximum allowed with a percentage of that funding dedicated to WS. The motion died for lack of second.

Les Graham, Montana Livestock Market Association

- the industry is behind this idea
- but producers must be contacting their legislators to support the spending increase which can then be backfilled by the board

Public Information Office, Steve Merritt

- efforts past couple of months have pretty much involved rerecord
- presented a rerecord program at Stockgrowers, Young Ag Conference
- will again at the MAGI show this weekend in Great Falls
- provides a computer to rerecord online

Meat Inspection Bureau, Carol Olmstead

- staff getting ready for federal review this year
 - will be coming to our building in May
- losing Dr Connolly, contract veterinarian who provided training to some of the contract vets
 - Dr Connolly will train Dr Liska so he can take over a one hour training program to contracting veterinarians
 - Animal Health is footing Dr Liska's (part time) costs for now
 - this cost will need to be included in future Meat Inspection budget
 - USDA accredited training for Dr Liska is proposed sometime in the future

Milk & Egg Bureau

- grading facility
 - building has not started yet, planning and permitting continue
 - proposed that an inspector to go to Horizon Colony as a USDA temporary grading station until about June of this yea
 - will be accomplished by Roy traveling two times a week starting in February
 - this will avoid the current practice of trucking product to Washington and back two times a week

Producer Organization Updates

Ariel Overstreet, Montana Stockgrowers Association

- December meeting featured robust policy updates
 - will work with the department to revise current Trich rules

MINUTES BOARD OF LIVESTOCK MEETING

- freeze brand policies
- supports legislation to provide confidentiality in disease issues

Jim Brown, Montana Woolgrowers

- his organization supports efforts to increase predator control funding-working with Senator Baucus
- sponsoring bills in the legislature to raise funding on predator control
- February 2 through 5 hosts the Cattle Industry Convention and Trade Show

Public Comment

Greg Wichman, Montana Woolgrowers

- thanked the board for working on the predator control,
- no qualms about doubling sheep per capita to fund WS program

Dr Rankin invited all to attend a table top exercise presented by Montana Pork Producers at the Civic Center in Great Falls from 1 to 5 p.m. on Thursday. The program will involve a simulated outbreak of foot & mouth disease.

5:30 PM

ADJOURNMENT

JANUARY 19, 2011
ROOM 319, 301 N ROBERTS
HELENA, MT

BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer
Ed Waldner, swine producer
John Lehfeldt, sheep producer
Linda Nielsen, cattle producer

Brett DeBruycker, cattle producer
Jeffery Lewis, dairy producer
Stan Boone, cattle producer

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau
George Harris, Centralized Services
Dr Tahnee Szymanski, Animal Health
John Grainger, Brands Enforcement

Carol Olmstead, Meat Inspection Bureau
Dr Jeanne Rankin, Animal Health
Dr Eric Liska, Animal Health
Steve Merritt, Public Information

Public Present:

Taylor Brown, State Senate District 22
John Steuber, USDA Wildlife Services
Aeric Reilly, Montana Farm Bureau
Ariel Overstreet, Montana Stockgrowers Assn
Allen Martinell, Lee Martinell Co
Jim Hagenbarth, Hagenbarth Livestock

Errol Rice, Montana Stockgrowers Assn
Tom Linfield, AVIC, USDA APHIS
Les Graham, Montana Livestock Market Assn
Yvonne Martinell, Lee Martinell Co
Ross Hansen, Hansen Ranch
Tom Milesnick, MZ Bar Cattle Co.

MINUTES BOARD OF LIVESTOCK MEETING

John Scully, producer

Rachel Kinkie, Cattle PRAHD

8:00 AM

CALL TO ORDER

Division Reports Continued

Brands Enforcement

- Action Item 11-01-1 Scattered Brands
 - Leslie Golie presented a power point on scatter brands
 - there are 431 "Or" scatter brands, with potential up to \$44,100 in additional fees if owners keep all brands
 - essentially there are several brands on one certificate where the owner can use one or all brands per animal
 - not taking anything away, use is the same, will own the same brands but separately
 - lot of these are older brands therefore potentially more valuable when split
 - on OR brands if split the cost to owner could be up to \$300 to split and rerecord
 - producer comments lean toward wanting/looking forward to splitting their brands
 - end conflicts and brings these into conformance with one position per species
 - a post card notice will be sent out for each of the scattered brands
 - then letters will be sent out explaining the change in board policy and owners will be offered choices
 - there are some conflicts now, but hope to avoid additional conflicts through a simpler system
 - looking for the identification not the fees
 - an informal survey of producers, inspectors and employees agrees generally that this should have been done sooner
 - only the current brand owner has the option to rerecord the brand in 2011 with 90 days of 2012 to pick up the brands if not rerecorded
 - then any brands not picked up will become available according to brand policy

Linda Nielsen moved to separate the "or" scatter brands as proposed. John Lehfeldt seconded. The motion carried unanimously.

- Rerecord/Brand program update
 - 13.71% completed with 92% of those through online system
 - working wonderfully
 - only straight rerecord can use online system
- possible change in ARM regarding brand application fee vs. research costs
 - on brand applications if one of the three choices works but is not accepted the applicant would lose the \$100 paid upon application
 - when research is completed and applicant refuses the expense for research time is lost under the current procedure
- Beef Council
 - the new bill of sales forms were just sent out to local inspectors
 - received one complaint from local inspector about us not collecting for BC

MINUTES BOARD OF LIVESTOCK MEETING

- Senator Eric Moore has proposed a bill revising powers and duties on livestock regarding Beef Council
- Freeze Brands
 - Cattleman's Association does not support freeze brands
 - Stockgrowers and Farm Bureau support the hot iron brand system, freeze brands are not to supplant hot iron brands
 - can address the issue in rule, have spoken with two representatives, not going to put legislation out for one or two producers
 - see what happens in the legislature, then deal with ARM as needed
 - meantime not ticket for freeze brands used for trademark purposes using their own brand
 - potential ARM could allow another exception in existing rule for easier ID and trademark on cattle if board was to take action and do what industry wants

Brett DeBruycker moved to potentially look at allowing freeze brands on cattle for trademark purposes but not for ownership. Jeff Lewis seconded. The motion carried.

9:10 AM	RECESS
9:30 AM	RECONVENE

Animal Health, Dr Zaluski

- Action Item 11-01-2 DSA Official Order into Rule
 - provided a copy of the draft rule with four or five changes to the initial draft derived from comments received
 - comments received varied from keep it an order (flexibility, easier to change, can be removed at any time) to make it a rule (same arguments)
 - convincing arguments to adopt a rule in favor of an order replies to comments included:
 1. a rule allows appropriate participation and input from the public
 2. interim IAIC were highly skeptical of us implementing rules on this issue MDOL using an official order to enforce brucellosis regulations.
 3. bill currently in Legislature would specify what an order can be used for (cannot be used to set up a program, cannot be used for a permanent program)
 4. when presented to MSGA in Billings a resolution to support keeping regulations in an official order and not into rule failed, opinions were divided
 5. other states have these regulations in rule rather than an order
 6. this rule would not tie our hands in an emergency event

Public Comment

John Scully

- expressed concern regarding the EA process and the need to maintain the department/boards right to issue emergency orders to protect the public health
- appropriate to move to rule -while preserving the right to issue an emergency order

Errol Rice, Montana Stockgrowers

- regarding the APHIS interim rule-questioned whether an EA was done by feds in implementing the interim rule

Tom Linfield, USDA APHIS AVIC

MINUTES BOARD OF LIVESTOCK MEETING

- no EA or Environmental Impact required or done for interim rule
- Jim Hagenbarth
 - concerning the economic impact of disease in livestock we must be very careful in doing environmental impact on livestock disease issues
 - could face being tied up in courts so the board would become ineffective
- John Lehfeldt, board member
 - do not want to see economic issues take precedence over disease issues

Brett DeBruycker moved that the Economic Impact Statement be prepared as required by the Legislature for this proposed rule. Ed Waldner seconded. Motion carried unanimously.

Brett DeBruycker moved that the DSA order be moved into Administrative Rule with the clear intention to not interfere with emergency powers regarding disease issues. Jeff Lewis seconded. The motion carried unanimously.

Brett DeBruycker moved to accept the amended rule as presented by Dr Zaluski. Jeff Lewis seconded. The motion carried unanimously.

- Action Item 11-01-3 Equine Semen Import
 - Dr Zaluski reviewed the proposed change in equine semen import rules
 - most other states have less stringent requirements
 - no negative comments were received
 - recommend go ahead with the revision of the rule as proposed

Brett DeBruycker moved to go forward with amendment of the rule as recommended by Dr. Zaluski. Jeff Lewis seconded. The motion carried unanimously.

- Action Item 11-01-4 OCV statewide
 - seven public meetings were held last summer and fall
 - animal health staff attended industry meetings in December
 - opinions are geographically split
 - SW Montana feels we need statewide calfhood vaccination
 - other parts of the state feel the risk is not there and OCV is an onerous burden

Dr Zaluski

- it is a marketing and confidence building tool
- and it creates uniformity to Idaho and other states

Discussion

John Lehfeldt

- without OVC there are 2,000 elk out on the plains
- if there is not significant risk now there will be in the future

Linda Nielsen

- northeastern Montana producers she has met with are strongly against it

Brett DeBruycker

- agreed with Linda, a vast majority of producers he has spoken to are against mandatory vaccine

Jan French

MINUTES BOARD OF LIVESTOCK MEETING

- some producers have the "when its the law I will do it" attitude
- its not the good managers who will be bringing it in

Dr Zaluski

- ultimately, this decision may not be up to the BOL, as other states may require all Montana cattle be vaccinated

Les Graham, Montana Livestock Auction Markets

- in speaking with producers at the markets opinions are against the proposal

Linda Nielsen moved to not have mandatory OCV in Montana. Brett DeBruycker seconded. Stan moved to amend the motion to add that the BOL recommends highly best practice procedures as the best preventative. Brett DeBruycker seconded.

Roll call vote:

<u>John Lehfeltd</u>	<u>No</u>
<u>Brett DeBruycker</u>	<u>Yes</u>
<u>Ed Waldner</u>	<u>No</u>
<u>Jeff Lewis</u>	<u>No</u>
<u>Linda Nielsen</u>	<u>Yes</u>
<u>Stan Boone</u>	<u>Yes</u>
<u>Jan</u>	<u>No</u>

The amended motion carried.

Since the motion was voted as a negative motion it has no standing. Need a positive motion to carry mandatory OCV. There was no motion to authorize mandatory OCV.

General Updates

- IBMP
 - commitment to turn out bison on forest service land past Royal Teton ranch
 - today and tomorrow will have negative tested 25 bison moved
 - females are radio collared, RFID on calves
 - experimental process, don't know whether they will stay put
 - will adapt the program on the fly to contain the animals- moving forward
- Foot & Mouth Disease exercise in Great Falls
 - encouraged board members to attend
 - Korea has been experiencing an outbreak of FMD since last September
 - looking to eliminate untold number of animals at a unknown cost
 - 100 or so specialty beef producers affected
- Western States Association of Animal Health is meeting here in April at the Holiday Inn
 - agenda is being set
 - the Governor has been asked to speak
- Trich meeting in Cut Bank
 - March 8th
 - board members are invited to attend
- Legislative bills
 - one addresses confidentiality in animal disease issues
 - could provide some degree of confidentiality in conformation with Idaho, Wyoming, and the Dakotas
 - would help traceability in that right now we are forced to name names

MINUTES BOARD OF LIVESTOCK MEETING

- under this bill the department would be able to maintain the privacy of individual producers

Board discussed the proposed brucellosis vaccination program and the need to direct best practice procedures in light of no action being taken. The board agreed to provide information through markets etc. promoting this concept.

Brett DeBruycker moved that state veterinarian and staff develop a best practices outline to be used for outreach to be ready for presentation to the board at the next meeting. Jeff Lewis seconded. The motion carried unanimously.

Dr Zaluski recommended a concerted effort with producer organizations.

Les Graham, Montana Livestock Auction Markets

- volunteered to throw together a draft for animal health to edit
- once it is in a format acceptable to the board the markets are willing to place the information in their facilities for producers

PUBLIC COMMENT

John Scully

- as the board goes forward with the bison program he would ask department to bring forward more data from FWP relative to brucellosis in herds

Jim Hagenbarth

- urged the public and the board to watch closely FWP proposals regarding bison placement
- and follow up testing-how the bison are going to be classified under the law

Christian Mackay noted that there are no less than five bison bills proposed right now. He provided a current bill list to board members.

ANNOUNCEMENT OF NEXT BOARD MEETINGS

MARCH 14 & 15, 2011

(Board meetings will be scheduled on the third Monday & Tuesday of every other month unless otherwise noted.)

11:40 AM

ADJOURNMENT

JAN FRENCH, CHAIRMAN